RAJYA SABHA

Tuesday, the 3rd September, 1996/ 12th Bhadra, 1918 (Saka)

The House met at Eleven of the Clock,

Mr Chairman in the Chair

ORAL ANSWERS TO QUESTIONS

MR. CHAIRMAN: We will take up Question Nos. 441 and 445 together because they are on the same subject.

Performance of Nationalised banks in Agricultural sector in Andhra Pradesh

*441. SHRI YERRA NARAYANA SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government will monitor the functioning of nationalised banks and their performance in the agricultural sector in Andhra Pradesh;

(b) whether there is a specific machinery which monitors the work of banks in farm sector in Andhra Pradesh; and

(c) if so, the details of such an official monitoring machinery?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) Loans to agriculture form a part of the priority sector lending by all commercial banks other than foreign banks and they are required to deploy at least 18% of the outstanding net bank credit towards agriculture. The performance of banks in extending loans to agriculture in various States, including Andhra Pradesh, is reviewed in various fora like the Block Level Bankers Committee, the District Consultative Committee and the State Level Bankers Committee. In addition, the Reserve Bank of India (RBI) periodically reviews the performance of public sector banks with regard to lending to agriculture. The priority sector lending by public sector banks, including lending to agriculture, is monitored by Government.

R.B.I.'s Decision to Advance More Loans to Agriculture Sector

*454. SHRI SOLIPETA RAMA-CHANDRA REDDY:
SHRIMATI JAYANTI PATNAIK:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 260 given in the Rajya Sabha on 16th July, 1996, and state:

(a) whether RBI has taken any decision to advance more loans to agriculture section;

(b) if so, the details thereof;

(c) the steps taken in this regard; and

(d) target fixed to advance loans to agriculture sector by banks for 1995-96 and achievements made?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d): A Statement is laid on the Table of the House.

Statement

(a) to (d) All banks (except foreign banks) are required to deploy at least 18% of their outstanding net bank credit towards agriculture. In order to augment the flow of credit to agriculture, Reserve Bank of India (RBI) has advised the public sector banks to prepare Special Agricultural Credit Plans (SACPs). Such plans are being prepared since 1994-95. RBI has reported that the Public sector banks disbursed Rs. 8,255 crores in 1994-95 under these plans against the projection of Rs. 9,531 crores. In 1995-96 the disbursements were Rs. 10,172 crores against the projection of Rs. 12,121 crores.

While reviewing the flow of credit under SACP recently, RBI has urged the public sector banks to achieve a 25% growth in disbursements under SACPs in 1996-97 over those of 1995-96.

SHRI YERRA NARAYANASWAMY: Mr. Chairman, Sir, the Government of India and the Reserve Bank of India have set priority sector targets for agriculture in different States. In Andhra Pradesh there is a feeling that agriculture is being ignored and even the lower targets set for agriculture are not being fulfilled by the banks. This has been admitted earlier